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# **Appropriation Control and Financial Reporting Updates**

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**Accounting Policy Meeting  
May 19, 2021**

**Appropriation Control and Financial Reporting Sections  
Fiscal Management Division**



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# Agenda and Presenters

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## USAS Profile Review & Cleanup Procedures

Presenter: John Walker  
financial reporting analyst

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## Titles Profile (D53)

Presenter: Elzbieta Jochacy  
financial reporting supervisor

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## Implementation of GASB Statement No. 84, *Fiduciary Activities*

Presenters: Diana Dunnahoo and Chantell Franks  
financial reporting analysts

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## *Processing Supplemental Appropriations and Reductions (FPP A.047)*

Presenter: Drey Lord  
appropriation control assistant supervisor

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## Questions

Presenters: Appropriation Control and Financial Reporting Sections

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## **USAS Profile Review & Cleanup Procedures**

FMX provides [USAS Profile Review and Cleanup Procedures](#) for reviewing existing profiles in the Uniform Statewide Accounting System (USAS), including:

- Profile Review for Fund Profile (D23)
- Profile Review for Program Code Profile (D04) and Program Cost Account Profile (26)
- Profile Review for Organization Code Profile (D03) and Index Code Profile (24)
- Profile Review for Agency Object Profile (D11)
- Procedures for Clearing Default Funds (Fund 9000 Deposit Adjustments and Fund 9001 Returned Checks) and Review of Comptroller Objects 3788 and 3789
- Procedures to Zero Out Balances in the System Clearing Accounts (GL 9999 and 9992)
- Correction of Unappropriated General Revenue & Local Revenue



## **USAS Profile Review & Cleanup Procedures (Cont.)**

- Correction of Incorrect General Ledger and Comptroller Object Relationships
- Pass-Through Funds
- Cash in State Treasury (CIST) in USAS
- Internal Transaction (IT) File Cleanup

These procedure assist users to report correct appropriation information and generally accepted accounting principles (GAAP) reporting information at all levels.



## USAS Profile Review & Cleanup Procedures (Cont.)

### USAS Profile Rollover

- USAS automatically creates new profiles for fiscal year (FY) and appropriation year (AY) 2022 based on existing FY21 and AY21 profiles, except for:
  - ❖ FY/AY22 — profile already exists with the same profile control key
  - ❖ FY/AY21 — profile is inactive
  - ❖ FY/AY21 — profile has an effective end date of Aug. 31, 2021 or earlier
- 2022 USAS Profile Rollover occurs on **June 19, 2021**.
- Agencies that change FY/AY21 profiles after June 19 **must** ensure that the newly created FY/AY22 profiles are appropriately updated.
  - ❖ This critical step ensures data consistency between accounting years.





## Titles Profile (D53)

- Since Nov. 20, 2020, the D53 no longer maintains the role/agency assignments for the AFR web applications.
- Contact your agency's security coordinator to request access to each AFR web application for **each** agency number you are reporting.
- When requesting access from your security coordinator, ensure that you communicate the four-character [Security Coordinator's USAS Reference Code](#) specific to each web application:
  - ❖ Bond Reporting System – BOND
  - ❖ Capital Asset Note Submission System – CASS
  - ❖ CAFR Note Reporting & Certification – CNRC
  - ❖ Component Unit & Related Organizations – CURO
  - ❖ Deposit and Investment Note Submission System – INVS



## **Titles Profile D53 (Cont.)**

- ❖ General Revenue Reconciliation – GRSC
- ❖ Lease Note Submission System – LNSS
- ❖ Long-Term Liability Note – LTLN
- ❖ Other Notes and Disclosures – DRNS
- ❖ Restatement Note Submission System – RNSS
- ❖ Schedule of Expenditures of Federal Awards – FSSC
- ❖ State Pass-Through Reporting – SPTR
- ❖ Statement of Cash Flows (*previously Agency Cash Flow Reporting*) – SOCF



# Implementation of GASB Statement No. 84, *Fiduciary Activities*

## Transaction Codes (TC) for Suspense and Default Funds

- **Question:** Which TCs are used for these funds?
- **Answer:** TCs, and processes for suspense and default funds remain the same:
  - ❖ TC 153 – Returned Items and 153R
  - ❖ TC 188 – Deposit to Suspense and 188R
  - ❖ TC 229 – Refund of Revenue

Agencies should keep their general ledger (GL) accounts for CIST (GL 0045) and Funds Held for Others (GL 1149) in balance and clear these funds on a timely basis.





## **GASB 84 (Cont.)**

### **TCs for Suspense and Default Funds (Cont.)**

- **Question:** Why weren't the TCs changed so that Funds Held for Others (GL 1149) is not used?
- **Answer:** USAS can create new TCs and modify existing TCs. However, the activity underlying the transactions remain the same. Upon considering feedback from USAS system experts, the Financial Reporting section assessed that modifying the fund type was the best course of action.



## **GASB 84 (Cont.)**

### **TCs for Suspense and Default Funds (Cont.)**

- **Question:** What will change at fiscal year-end for suspense and default funds?
- **Answer:** See the Reporting Requirements' [Suspense Funds](#) tab:
  - ❖ Reclassify GL 1149 to GL 1018 Payroll Deduction/Return Liability.
  - ❖ Reclassify GL 1149 to GL 1046 Unearned Revenues.
  - ❖ Reclassify GL 1149 to GL 1153 Returned Expenditure Liability.
  - ❖ Reclassify to the appropriate type of revenue or expenditure. Do **not** use comptroller object:  
**3790** — Deposit to Trust or Suspense  
—OR—  
**7902** — Trust or Suspense Payment



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## **GASB 84 (Cont.)**

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### **TCs for Suspense and Default Funds (Cont.)**

- ❖ Create a **due from/due to** for the suspense amount that belongs in another fund type.
- ❖ Record an entry to Shared Cash (GL 0047) if the suspense/default fund is controlled by another agency.



## GASB 84 (Cont.)

### TCs for FT 22 (Custodial Fund)

Some agencies have complex internal systems for receiving and distributing what is now considered custodial funds.

- **Question:** Can the same TCs 188 or 229 be used?
- **Answer:** All TCs that were used in the old agency funds can still be used in custodial funds.
- **Question:** Should an agency use TC 188 or TC 195 (Record Deposit of Revenue in Treasury)?
- **Answer:** The distinction between the two TCs is that *custodial funds* are established for a specific purpose. The fund *itself* is acknowledged to be held for others. Additionally, the activity should be generally described by object code and the nature of a custodial fund should not have an extensive amount of activity.



## **GASB 84 (Cont.)**

### **TCs for FT 22 (Cont.)**

Using TC 195 is preferred as it expands the range and choices of object codes.

- ❖ Agencies may need to test their internal systems to make this type of change. If the internal systems cannot handle it, then continue using existing transaction elements.
- ❖ Record an entry to zero out *Funds Held for Others* and reclassify to the correct revenue or expenditure activities.
- ❖ GASB 84 also states that investment earnings/interest, investment costs and administrative expenses (related to investments) are reported as separate line items.



## GASB 84 (Cont.)



### FMQuery – SIRS: AFR Desk Review Reports

Use the [FMQuery – SIRS Main Menu](#) and select reports to run from the **AFR Desk Review** section.

**Note:** Also see the *Agency Fiscal Year-End USAS Adjustments and AFR Checklist*, [Step 2 – Review USAS Balances](#), Substep #4.

- **DR501 Review Cash in State Treasury – Suspense Funds:** Review Appropriated Funds (D22) for CIST:
  - ❖ 0001 General Revenue Fund
  - ❖ 0882 City, County, Metropolitan Transit Authority and Special Purpose District
- **DR502 Review Departmental Suspense Fund:** Review Fund (D23) level in GAAP Fund (D24) 0900 Departmental Suspense General for balances greater than \$100,000.



## **GASB 84 (Cont.)**

### **FMQuery – SIRS: AFR Desk Review Reports (Cont.)**

- **DR503 Review Payroll Liabilities and Funds Held for Others:** Review D24 Funds and Funds Held for Others:
  - ❖ 0807 Child Support Employ Deduction – Offset Account
  - ❖ 0942 Texasaver Hold – Transmit 401K
  - ❖ 0980 Direct Deposit Correction Account
- **DR504 Review Cash in State Treasury – Direct Deposit:** Review D24 Funds for CIST:
  - ❖ 0899 TxDOT Local Project, Disbursing Trust Fund
  - ❖ 0979 Direct Deposit Hold – Transmit Account Payrolls
  - ❖ 9010 Direct Deposit Supplemental Payrolls
  - ❖ 9011 Direct Deposit Hold – Non-IRS Deductions
  - ❖ 9012 Direct Deposit Hold – IRS Deductions
- **Reports no longer applicable:**
  - ❖ DR505 Review Leg Cash & Fund Balance in Agency Funds
  - ❖ DR506 Review OS Activity



# Processing Supplemental Appropriations and Reductions (FPP A.047)

## Budget Processing

- [Senate Bill \(SB\) 500](#): appropriated supplemental funding for a two-year period ending on **June 5, 2021**.
- Each agency must obligate these funds in USAS by June 5, 2021, with an ***effective date of May 31, 2021***.
  - ❖ Refer to [Encumbrance Report and Lapsing of Appropriations \(APS 018\)](#) for obligating the funds.
  - ❖ The requirement is met if your agency encumbered or accrued funds as of **Feb. 28, 2021**.
  - ❖ Each agency must ensure the funds are encumbered in future reporting periods.

**Note:** Over-encumbering of funds could skew the data included in the Biennial Revenue Estimate (BRE) and the amount deposited in the Economic Stabilization Fund (ESF) 0599. State agencies and institutions of higher education are required to accurately report all encumbrances.



## FPP A.047 (Cont.)

### Budget Processing (Cont.)

- After obligation is complete, notify your appropriation control officer (ACO) and submit all USAS-related documentation. ACOs will:
  - ❖ Analyze the AY21 obligated balance
  - ❖ Request a committed lapse (T-code 036) or collected lapse (T-code 039) for the unobligated portion
  - ❖ Extend the end date of the AY21 appropriation for expenditure of the obligated amounts
- Notify your ACO to return cash to *Comptroller – Statewide Fiscal Programs* for unobligated ESF balances.

**Note:** Appropriations transferred in or out from supplemental appropriations **are not allowed**. Agencies may transfer expenditures into supplemental appropriations. Any reimbursements received for expenditures paid from funds appropriated by SB500 must be deposited or transferred to Appropriation 36287 and then notify your ACO.



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## Questions?

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If you have appropriation control questions, contact your agency's [appropriation control officer](#).

If you have financial reporting questions, contact your agency's [financial reporting analyst](#).



## Upcoming Webinars



- Wednesday, **July 14**  
2:00 – 4:00 p.m. (CDT)
- Wednesday, **Aug. 18**  
2:00 – 4:00 p.m. (CDT)